

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1515-02
Bill No.: HB 946
Subject: Elementary and Secondary Education: Disabilities
Type: Original
Date: April 17, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)
Deaf Education			
Total Estimated Net Effect on <u>All</u> State Funds*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

*Exceeding \$1.6 million annually

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board of Higher Education (CBHE)** assume that the CBHE is only required to receive recommendations regarding the education of persons who work with the deaf. The receipt of any recommendations will not present a fiscal impact.

Officials from the **State Treasurer's Office** stated this legislation would have no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would require the following costs:

(A) FTE and Associated Expenses

FTE, salary, expense, equipment, and office space for 34 FTE.

(B) Additional Costs for Establishing and Operating Regional Centers

Significant costs would be incurred in establishing and operating 9 regional centers. First year start up costs are assumed to be up to \$4.5 million. Subsequent year operating costs are assumed to be \$3.0 million.

(C) Task Force for the Deaf

Office support for this task force is assumed to cost approximately \$15,000; expenses are assumed to cost approximately \$30,000.

(D) Expansion of Child Count

Office support and automation for this area is estimated to cost approximately \$30,000.

(E) Annual Study

The contract study is assumed to cost \$30,000; office support for the annual study is assumed to cost approximately \$15,000.

(F) Potential Costs for Establishing and Operating Regional Schools

Significant costs would be incurred in establishing and operating 9 regional schools. First year start up costs are assumed to be up to \$18.0 million. Subsequent year operating costs are assumed to be \$9.0 million. Students referred to regional schools which would be operated by the state would have to receive the education included in the IFSP/IEP of each student; thus, there could not be a limit on the methodologies practiced within such regional schools.

In addition to the above costs, DESE officials included costs of \$250,000 annually for consulting fees.

ASSUMPTION (Continued)

DESE officials assume the duties of the additional FTE would be as follows:

Coordinator (\$74,316): Oversee program staff in the newly created Office of Elementary and Preschool Deaf Education.

Director - Fiscal (\$64,740): Manage fiscal affairs of the schools, resource centers, and staff.

Director - Program (\$64,740): Manage program development, implementation and operations. Handle personnel issues.

Director - Outreach (\$64,740): Manage outreach around the state, monitor service delivery, take the lead in disseminating information about the program to entities around the state.

Supervisors (15 @ \$47,616 each): Provide services to parents and school districts, work with consultants who have been retained to provide services, conduct workshops, provide expertise, work with parent groups, work with the specialists hired to staff the regional centers.

Executive Assistant II's (10 @ \$33,624 each): These individuals will work closely with the Supervisors.

Administrative Assistants (5 @ \$25,812): Provide office support for all of the above.

The **Oversight Division** has included one Coordinator and no Directors in the fiscal impact, assuming the Coordinator could oversee fiscal, program and outreach services. Oversight has also included only one Administrative Assistant in the fiscal impact. Therefore, 27 FTE are included in the fiscal impact section. Office space leasing costs were calculated at \$11.80 per square foot with 200 square feet per FTE.

The **Oversight Division** has included unknown costs for start-up costs, operating costs and consulting fees, since these costs could be lower than those calculated by DESE if the regional schools and resource centers are housed in the existing regional professional development centers.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Cost - General Revenue Fund</u>			
Appropriation to the Deaf Education Fund*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

***Exceeding \$1.6 million annually**

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
DEAF EDUCATION FUND			
<u>Income</u> - Department of Elementary and Secondary Education (DESE)			
Appropriation from General Revenue Fund*	UNKNOWN	UNKNOWN	UNKNOWN
<u>Cost</u> - Department of Elementary and Secondary Education (DESE)			
Personal Services (27 FTE)	(\$982,811)	(\$1,208,857)	(\$1,239,078)
Fringe Benefits	(\$327,571)	(\$402,912)	(\$412,985)
Expense and Equipment	(\$284,610)	(\$114,300)	(\$117,729)
Consulting Fees, Start-Up Costs, Operating Costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Total <u>Cost</u> - DESE*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)
ESTIMATED NET EFFECT ON DEAF EDUCATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Exceeding \$1.6 million annually**

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill creates an Office of Elementary and Preschool Deaf Education within the Department of Elementary and Secondary Education's Division of Special Education to serve children diagnosed with hearing impairments. The office will be independent from the Missouri School for the Deaf. Among its other duties, the office will develop and coordinate regional resource centers and may develop schools for deaf students and conduct an annual study of the educational status of deaf students.

DESCRIPTION (Continued)

An 11-member task force on deaf education and literacy is also created by the bill to advise the office on several aspects of education for the deaf and to recommend to the Coordinating Board for Higher Education improvements in preparation programs for teachers and other personnel who work with deaf students.

The regional schools and resource centers will initially provide 2 tracks of deaf education: the auditory-oral and a sign language track using either signing exact English or the American Sign Language approach of bilingual-bicultural methodology for children from birth through sixth grade. Requirements for the staff at the regional schools and resource centers, including teacher-student ratios, are detailed in the bill. Staff may be employed on a consultation basis. The bill lists the services to be provided by the schools/resource centers, among which are diagnosis and evaluation and development of in-service training for teachers and parents.

The Division of Special Education must develop a system of referral for children identified with hearing impairments. The bill contains definitions and creates a Deaf Education Fund.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Coordinating Board for Higher Education
State Treasurer's Office



Jeanne Jarrett, CPA
Director

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